

more than one mercantile firm which possessed a substantial credit at each of two banks prior to their amalgamation have already found it difficult to secure the continuance of that total credit with the combined bank notwithstanding the fact that the financial stability of the firm endured unimpaired.

Bearing all human limitation in mind, I make no comment upon the possibility of institutions which, separately, are admirably managed by different chiefs, failing to be equally well administered as auxiliaries to commerce when massed together under a single control. The practical abolition, again, of competition may, from the nature of the case, conduce to a diminution of skill and enterprise, alertness and ingenuity, and to the production of less finished adaptations of processes and products to purposes, for competition sharpens wits. And it is evident that any wide expansion of this diminished capacity would leave its permanent mark upon our national vigour, sagacity, and prosperity in the general prosecution of our commercial heritage.

NOTE.

An able correspondent was so impressed with this statement in the first edition that he particularly desired me to expand the explanation. He had been investing, he informed me, all his life, in Debentures, under the mistaken notion that the mere description of a Bond by this term embodied exceptional security and rights. Startled by the preceding paragraph, he began to revise his list of so-called Debentures. It will be useful, accordingly, to accede to his request for the benefit of my readers generally. A debenture may be either (1) a simple promise to pay, or (2) a promise to pay secured by a mortgage or charge upon the whole or part of the property of the Company. Debentures which confer a priority of position and rights are termed Mortgage Debentures, where the property which constitutes the security is vested in Trustees, for the exclusive benefit of the Debenture-holders, by a separate Deed. In this case the Trustees become the owners of the property, and no dealing with it or change can be effected without their assent exercised in the interests of those for whom they act. A second form of Debenture may constitute what is termed a Floating Charge or a General Lien in favour of the Debenture-holders upon the undertaking of a Company. But, in this case, the Company is not precluded from disposing of the property or assets or parts of them by sale or charge if it deem this course to be necessary in the interests of the business generally ; and, naturally, under this arrangement, the property, when redemption of the Debentures is due, may be reduced in value below that which it possessed when the Issue was created if the administrative